

Before the
UNITED STATES COPYRIGHT OFFICE
LIBRARY OF CONGRESS
Washington, D.C.

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JUN 19 2003

GENERAL COUNSEL
OF COPYRIGHT

In Re:

Digital Performance Right
In Sound Recordings and
Ephemeral Recordings

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: Docket 2002-1 CARP DTRA 3

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: Docket 2001-2 CARP DTNSRA

Live365, Inc. ("Live365") respectfully submits the following comments in response to the May 20, 2003 Request for Comments published by the Copyright Office at 68 Fed. Reg. 97 ("Request for Comments"). Live365 runs one of the world's largest networks of webcasting operations. It is thus keenly interested in the rates and terms of the statutory licenses under Sections 112 and 114 of the Copyright Act.

Live365 hereby objects to the proposed rates and terms for the use of sound recordings in eligible nonsubscription transmissions, new subscription services and the making of ephemeral reproductions. The proposed rates and terms are unreasonable and do not represent the rates and terms that would have been negotiated in the marketplace between a willing buyer and a willing seller as required under 17 U.S.C. 114. If these rates and terms are adopted, they will have a seriously negative impact on the development of the webcasting industry, and particularly Live365. In addition, Live365 objects to RIAA/SoundExchange's interpretation of the applicability of the rates and terms in the proposed regulations as applied to Live365's business model.

Dated: June 19, 2003

Respectfully submitted,

Live365, Inc.

By: Ragesh Gupta

Ragesh Gupta

Chief Operating Officer

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